

POSTED
MR 10-27-98

BEFORE

ACCEPTED
Legal 2/3/10-27-98

S.C. PUBLIC SERVICE COMMISSION
RECEIVED
OCT 22 1998
RECEIVED
UTILITIES DEPARTMENT

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO.: 97-131-W

S.C. PUBLIC SERVICE COMMISSION
RECEIVED
OCT 21 1998
RECEIVED

IN RE: Sigfield Water Company, Inc.

)
) APPLICATION
)

Pursuant to the applicable provisions of the Code of Laws of South Carolina (1976), Sigfield Water Company, Inc., hereinafter referred to as "Sigfield" or "Applicant" respectfully applies to the Public Service Commission of South Carolina, hereinafter referred to as the "Commission", for authority to adjust and increase its monthly rates for single family residences and to establish a Commercial Rate. The Applicant represents as follows:

I.

All communications concerning this Application should be addressed to and the following person should be included on the Commission's official service list:

William Frederick Austin
John J. Fantry, Jr.
Austin, Lewis & Rogers, P.A.
P.O. Box 11716
Columbia, S.C. 29211
(803)256-4000

II.

That Sigfield last applied to this Commission for an adjustment to rates and charges in Docket No. 91-155-W, with a revised Application filed on March 8, 1993.

III.

That this Commission's Order No.: 93-887, issued in Docket No.: 91-155-W, on September 30, 1993, which approved an unmetered residential annual service charge - flat rate of \$320.04 or a monthly service charge - flat rate of \$26.67, per customer, and a Tap Fee of \$500.00 for Applicant, which rate has been in effect since that date. The approved service map is on file with the Commission.

IV.

Attached and incorporated by reference are the following exhibits:

1. Statement of Justification for Rate Adjustment;
2. Current Income and Expense Statement for the twelve (12) months ending December 31, 1997;
3. Pro Forma Income and Expense Statement using rates for test year ending December 31, 1997;
4. Balance sheet for twelve (12) months ending December 31, 1997;
5. Number of present and proposed customers;
6. Statement of Plant Investment;
7. Customer bill form;
8. Depreciation Schedule;
9. Letter of approval from the Department of Health and Environmental Control;
10. Reference is craved to the Performance Bond presently in place as required by Statute, Nationsbank Certificate of Deposit #74801074169705 in the amount of \$10,000.00. This Certificate of Deposit has been in existence since the prior rate case in Docket No.: 91-155-W.
11. Proposed Rates

V.

The present rate structure approved in 1993 is unreasonably low and insufficient to enable the Applicant to earn an adequate and reasonable return.

VI.

The proposed test year in these proceedings is the twelve months ending December 31, 1997.

VII.

- A. The Applicant proposes to increase its rates as follows:

<u>Residential</u> - Annual charges per single residence or Single family equivalent:	\$ 510.00
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- B. The Applicant proposes to establish a Commercial Rate as follows:

<u>Commercial</u> _ Annual charge 3/4 in. Tap	\$ 996.00
<u>Commercial</u> _ Annual charge 1 in. Tap	\$ 1476.00

- C. The Applicant proposes a commodity charge as follows:

First 2,000 gal for the monthly minium charge
2,000 to 5,000 gal at \$3.75 per thousand
5,000 gal and Over at \$3.50 per thousand

- D. The Applicant proposes to continue a one-time residential tap fee of: \$500.00

- E. The Applicant proposes a one-time commercial tap fee of:

3/4 in. Tap	\$1,000.00
1 in. Tap	\$1,250.00

WHEREFORE, the Applicant respectfully requests that this Commission approve the rates requested herein and for such other and further relief as this Commission may deem just and proper.

Respectfully submitted this 21st day of October 1998

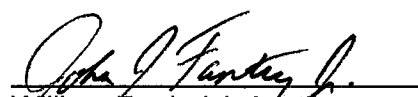

William Frederick Austin
John J. Fantry, Jr.
Austin, Lewis & Rogers, P.A.
P.O. Box 11716
Columbia, SC 29211
(803) 256-4000
Attorneys for Applicant

EXHIBIT 1

Sigfield Water Company, Inc.
Statement of Justification

The customer basis of 70 residential customers and 4 commercial taps has decreased by one commercial tap since the last rate adjustment in 1993. Commercial customers have heretofore paid the same monthly fee as residential users though the commercial customers water usage constituted 17.5% of all water sales. A more equitable adjustment between classes of customers is one of the factors causing Sigfield to seek a rate change.

Increases in the cost associated with the Safe Drinking Water Act is anticipated to increase operational cost in 1998 by \$4,000.00.

Sumter Reforestation, Inc. has provide management services to Sigfield since January 1996 on a contract bases. The rate for the services are \$12,000.00 per annum.

EXHIBIT 2

SIGFIELD WATER COMPANY, INC.
PRO FORMA OPERATING STATEMENT
BASED ON TEST YEAR ENDING DECEMBER 31, 1997

<u>INCOME:</u>	PER BOOKS YEAR ENDING 12/31/97	EFFECT OF PROPOSED INCREASE	AFTER PROPOSED INCREASE
Fees Earned	\$23,443.00	\$22,050.00(1)	\$45,537.00
Less: Fees Refunded	0	0	0
TOTAL INCOME:	\$23,443.00	\$22050.00	\$45,537.00
<u>EXPENSES:</u>			
Maintenance/Repairs	\$2,842.00	\$195.00	\$3,037.00
Equipment Rental	27.00	<27.00>	0
Operator Fees	1,200.00	0	1,200.00
Contract Labor	1965.00	<96.00>	1869.00
Engineer Fees	300.00	<66.00>	234.00
Legal /Accounting Fees	586.00	<119.00>	467.00
Property Tax	463.00	3,257.00 ✓	3,720.00
Postal Expense	228.00	6.00	234.00
Office Expense	307.00	160.00	467.00
Appraisal Service	175.00	<175.00>	0
Advertising	69.00	1.00	70.00
License Expense	1,664.00	<29.00>	1,635.00
Interest Expense	8,718.00	<2474.00>	6,244.00
Depreciation	7,315.00	0	7,315.00
Depreciation New Equipment	0	500.00	500.00
DHEC Compliance	0	4,000.00	4,000.00
Utilities	809.00	<108.00>	701.00
Management Fees	12,000.00	0	12,000.00
Bank Charges	6.00	<6.00>	0
Travel Expense	22.00	<22.00>	0
Misc. Expense	61.00	<61.00>	0
Amortization	0	1800.00 (2)	1800.00
TOTAL EXPENSES:	\$38,757.00	\$6,736.00	\$45,493.00
NET INCOME (LOSS)	(\$15,314.00)	\$15,314.00	\$44.00

(1) Assuming 70 residential users at \$534.00 per customer/per year.

Assuming 2 commercial users (3/4 in. tap) at \$ 83.00 base and 38,600 gal. per month per user.

Assuming 1 commercial user (1 in. tap) at \$123.00 base and 38,600 gal. per month per user.

(2) Legal/Accounting for rate proceedings \$ 9,000 over 60 months 1800 per annum

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EXHIBIT 4

SIGFIELD WATER COMPANY, INC.
2911 WAVERLY DRIVE
SUMTER, S.C. 29150

BALANCE SHEET
For the year ending December 31, 1997

ASSETS:

Current Assets:

Cash on Hand	(\$2,161.00)
Accounts Receivable	35,841.00
Less Allowances for Bad Debt	35,641.00
Other Current Assets	61.00

Total Current Assets	<u>(\$1,900.00)</u>
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Fixed Assets:

Land	\$100.00
Building and other Depreciable Assets	124,421.00
Less Accumulated Depreciation	(92,498.00)

Total Assets	<u>\$30,023.00</u>
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LIABILITIES:

Current Liabilities	\$1,083.00
Notes Payable-Current	5,664.00

Total Current Liabilities	<u>\$6,747.00</u>
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Non-Current-Liabilities

Loans from Stock Holder	\$59,757.00
Notes Payable-Long Term	69,197.00

Total Noncurrent Liabilities	<u>\$128,954.00</u>
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Total Liabilities	<u>\$135,701.00</u>
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Stockholders Equity

Common Stock	\$10,000.00
Retained Earnings	(115,578.00)

Total Stockholder's Equity	<u>(\$105,578.00)</u>
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Total Liability and Stock Hold Equity	\$30,123.00
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EXHIBIT 5

NUMBER OF PRESENT AND EXPECTED CUSTOMERS

Present Customers:

Residential	70
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Commercial	3
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Expected Customers:

Residential	70
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Commercial	3
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EXHIBIT 6

**SIGFIELD WATER COMPANY, INC.
STATEMENT OF TOTAL PLANT INVESTMENT**

December 31, 1997

<u>DESCRIPTION</u>	<u>INVESTMENT</u>
Wells, 5,000 Gallon Tank Electrical Controls, Monitoring Meters and Transmission Lines	\$121,500.00
Pump	1,400.00
Auxiliary Pump and Building for Pump	1,521.00
TOTAL	<u>\$124,421.00</u>

EXHIBIT 7

EXHIBIT 8

**SIGFIELD WATER COMPANY, INC.
DEPRECIATION SCHEDULE**

<u>Description</u>	<u>Date Acquired</u>	<u>Life or Rate</u>	<u>Cost</u>	<u>12-31-93</u>	<u>12-31-94</u>	<u>12-31-95</u>	<u>12-31-96</u>	<u>12-31-97</u>
Pump	6-86	Fully Depr.	\$1,400	-0-	-0-	-0-	-0-	-0-
Equipment	6-87	6.02%	\$121,500	7.322	7.319	7.315	7.328	7.315
Equipment	7-88	Fully Depr.	\$515.00	-0-	-0-	-0-	-0-	-0-
Equipment	10-88	Fully Depr.	\$1,006.00	-0-	-0-	-0-	-0-	-0-

EXHIBIT 9

D H E C



PROMOTE PROTECT PROSPER

2600 Bull Street
Columbia, SC 29201-1708

COMMISSIONER:
Douglas E. Bryant

BUREAU OF WATER

BOARD:
John H. Burriss
Chairman

May 13, 1998

William M. Hull, Jr., MD
Vice Chairman

Mr. Harold A. Sigmon, President
Sigfield Water Company, Incorporated
2911 Waverly Drive
Sumter, South Carolina 29150

Roger Leaks, Jr.
Secretary

Mark B. Kent

Cyndi C. Mosteller

Brian K. Smith

Rodney L. Grandy

Re: Sigfield Water Company (1450006)
Correspondence dated April 20, 1998
Clarendon County

Dear Mr. Sigmon:

In response to your request, the Bureau of Water (Bureau) of the South Carolina Department of Health and Environmental Control is providing you with information concerning the above-named water system's compliance with regard to the State Safe Drinking Water Act and the State Primary Drinking Water Regulations.

As of this date, Sigfield Water Company is in compliance with all monitoring, operation and maintenance requirements and no enforcement actions are pending or in progress.

If you have any questions regarding this information, please feel free to contact me at (803)734-5326.

Sincerely,

Angela G. Mettlen, Manager
Drinking Water Enforcement Section
Water Enforcement Division

cc: Jack Pettit, Wateree EQC District

EXHIBIT 10

BOND

KNOW ALL MEN BY THESE PRESENTS, that Sigfield Water Company, Inc., a South Carolina Corporation, duly qualified to do business in the State of South Carolina as principal, and Harold A. Sigmon as President and as surety are held and firmly bound unto the Public Service Commission of South Carolina in the penal sum of Ten Thousand and No/100 (\$10,000.00) Dollars for the payment of which well and truly to be made, the principal binds itself, its successors and assigns, and the surety binds its self, its heirs, executors and administrators, jointly and severally, firmly by these presents.

WHEREAS, in accordance with the provision of Section R103-512(3), Code of Laws of South Carolina, which requires each applicant for sewerage service charges to furnish a bond to the satisfaction of the South Carolina Public Service Commission, conditioned as in said Section R103-512(3) provided; and

WHEREAS, the principal is petitioning the South Carolina Public Service Commission for approval of a schedule of rates for sewerage service in Clarendon County, South Carolina, a plat of which is on file in the Commission's office; and

WHEREAS, this bond when approved by the South Carolina Public Service Commission is to cover any and all liability, which may arise as a result of the principal failing to provide adequate and sufficient service within its service area; and

WHEREAS, the Commission upon notice and hearing, shall have the right to declare all or any part of the bond forfeited upon a determination by the Commission that the principal, utility, shall have willfully failed to provide such service without just cause or excuse and that such failure has

continued for an unreasonable length of time; and

WHEREAS, the liability under the terms of this bond is hereby extended as to include any fines or penalties imposed or assessed by the Commission against the principal, utility, under the provision of Section R103-884 of the Code of Laws of South Carolina as amended; and

WHEREAS, this bond shall become effective on the date of the issuance of a permit by the South Carolina Public Service Commission authorizing sewerage services rates to be charged by the utility.

NOW, THEREFORE, in testimony whereof, said principal has hereunto subscribed its name and said principal has caused this instrument to be signed this 16 day of March, 1993. And that said surety has caused this instrument to be signed this 16 day of March, 1993.

IN THE PRESENCE OF:

SIGFIELD WATER COMPANY, INC.,
A CORPORATION:

Robert R. Am
Witness

By: Harold A. Sigmon
Harold A. Sigmon,
Its: President

Charles A. Sigmon
Witness

Harold A. Sigmon
Harold A. Sigmon, Surety

HAROLD A. SIGMON
2911 WAVERLY DRIVE
SUMTER, SOUTH CAROLINA 29150

Partial Statement of Financial Condition
As of 3/15/93

CERTIFICATE OF DEPOSIT

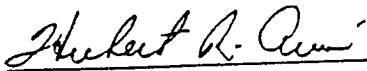
CURRENT VALUE:

NationsBank Certificate
Document Control# A338265 \$10,000.00
Certificate Number 74801-007-4169705
There is no outstanding indeptedness thereon.



Harold A. Sigmon

SWORN TO before me this
16 day of March, 1993



Notary Public of South Carolina

My Commission Expires: 4/8/93

NationsBank

Bank of South Carolina, N.A.

Certificate of Deposit
(Non-Negotiable/Non-Transferable, Automatically Renewable)

Certificate Number
74801 007 4167705

Account Control No.

38265

SUNTER

This is to certify that there has been deposited with the

WEST LIBERTY STREET

office of NationsBank the sum of

TEN THOUSAND DOLLARS AND ZERO CENTS***** Dollars

Payable To

Title 1 HAROLD A SIGMON SR	Title 2
Address 2911 WAVERLY DR	
City, State, Zip Code SUMTER SC 291500000	

Purchase Amount 10,000.00	Initial Term 24 MONTHS	Initial Interest Rate 4.02000	Initial Maturity Date 03/15/95
Date 3/15/93	Pay Method MAIL CHECK	Credit Account No. 0000000000	Social Security/Tax ID Number Code - 0 No. 244-46-0050

This is a multiple-maturity time deposit. At each maturity date, with the consent of NationsBank, it will automatically renew for a period equal to the initial term of such terms and conditions as are then in effect for NationsBank deposits of this type, unless you redeem this Certificate on or before the tenth calendar day of the maturity date. If you do redeem during this ten-day "grace period," you will receive interest only to the maturity date, and no additional interest will be paid for the days between maturity and redemption. You can obtain the renewal interest rate by contacting any NationsBank office. NationsBank reserves the right to change the interest rate on this Certificate on any maturity date. Payable only upon presentation and surrender of this Certificate on any maturity date or within the grace period. This Certificate is not transferable except as otherwise provided herein, and no such transfer shall be effective until registered on the books of NationsBank.

INTEREST IS COMPOUNDED DAILY

PH Shaw

Banking Representative

3-15-93

Penalty for Early Withdrawal

You have contracted to keep funds on deposit for the stated maturity or maturities shown above. If you withdraw the funds before any such maturity date, with the consent of NationsBank, you will be subject to a substantial penalty. The penalty for an early withdrawal at NationsBank is:

- Deposits with Maturities up through 13 Days** - You must forfeit all interest earned since the date of deposit, or seven days' simple interest, whichever is greater.
- Deposits with Maturities of 14 through 31 Days** - You must forfeit all interest earned since the date of deposit, or half the interest that would have been earned if the funds had remained on deposit until maturity, whichever is greater.
- Deposits with Maturities of 32 Days through 1 Year** - You must forfeit an amount equal to 3 months of interest earned, or that could have been earned, at the nominal (simple interest) rate being paid, if the funds had remained on deposit until maturity.
- Deposits with Maturities of More Than 1 Year** - You must forfeit an amount equal to 6 months of interest earned, or that could have been earned, at the nominal (simple interest) rate being paid, if the funds had remained on deposit until maturity.

For penalties of perjury, I certify (1) that the number shown above is my correct taxpayer identification number (or I am waiting for a number to be issued) and (2) I am either (a) exempt from backup withholding or (b) not subject to backup withholding for failure to report all interest or dividends (or the IRS has notified me that I am no longer subject to backup withholding). (Note: You MUST strike out clause (2) in the preceding sentence if the IRS has notified you that you are currently not subject to backup withholding due to underreporting interest or dividends on your tax return.)

Harold A. Sigmon Sr
Signature (Important: For joint personal accounts, signature must be that of the person whose name appears on "Title 1" line and whose Social Security number is listed above.)

Date

3-15-93

☒ Individual ☐ Joint Depositors

☐ Business/Other Nonpersonal Depositor

The undersigned Depositor(s) hereby agree to all terms and conditions set forth on the front and back of this Certificate, and also acknowledge receipt of and agree to the terms of the separate NationsBank Deposit Agreement which may be amended periodically as provided therein.

Authorized Signature(s) of Depositor(s)

Harold A. Sigmon Sr 3-15-93

Date

X

Date

X

Date

Date

EXHIBIT 11

**SIGFIELD WATER COMPANY, INC.
PROPOSED RATE**

Residential (Flat Rate)

\$44.50 per month

\$534.00 per year

Commercial Rate

3/4 in. - \$83.00 per month

\$996.00

1 in. - \$123.00

\$1,476.00

Commodity Charge:

First 2,000 gal for the monthly minium charge

2,000 to 5,000 gal at \$3.75 per thousand

5,000 gal and over at \$3.50 per thousand

Residential Tap fee of:

\$500.00

Commercial tap fee of:

3/4 in. Tap

\$ 1,000.00

1 in. Tap

\$ 1,250.00